

COMMONWEALTH OF KENTUCKY
BEFORE THE ENERGY REGULATORY COMMISSION

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In the Matter of:

A PURCHASED GAS ADJUSTMENT)	
FILING OF WESTERN KENTUCKY)	CASE NO. 7157-BB
GAS COMPANY)	

O R D E R

On December 6, 1978, the Commission entered its Final Order in Case No. 7157, approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates when the wholesale cost of gas is increased, decreased or refunds are received.

On January 8, 1981, the Applicant, the Western Kentucky Gas Company filed its Notice and Application with the Commission stating that it has received a refund from one of its suppliers, Tennessee Gas Pipeline Company (Tennessee Gas).

On December 15, 1980, the Applicant was notified by Tennessee Gas that a refund in the form of a credit was reflected on the November, 1980, gas invoice. A credit of \$525,766.96 constituting Applicant's share of a total refund from Tennessee Gas. The refund results from the resolution of the advance payment, rate of return, and research and development issues in accordance with the Stipulation and Agreement (July 18, 1980) in FERC Docket Nos. RP78-113, et. al. The Commission approved the Stipulation by its letter order dated October 1, 1980.

This filing also reflects \$38,402.00 excess revenues collected by Applicant during November and December, 1980 due to the retroactive Tariff Sheet filed by Texas Gas Transmission Corporation (Texas Gas) effective November 1, 1980. The Texas Gas rate reduction was reflected in Case No. 7157-Z, effective January 1, 1981.

The total refundable amount in the filing is \$564,168.96. The Company proposes to refund this amount to its customers over a period of four months in accordance with the refund provisions of the Company's Purchased Gas Adjustment Clause beginning on February 1, 1981, said adjustment being designed to pass on to

its customers a reduction in the amount of \$.0341 per thousand cubic feet of gas and that said adjustment be eliminated when the full amount to be refunded has been returned to the Company's customers.

After reviewing this evidence of record and being fully advised, the Commission is of the opinion and finds:

1. That the Applicant has received a refund in the amount of \$525,766.96 from their supplier Tennessee Gas, and \$38,402.00 in excess revenues collected from Texas Gas, to be refunded.

2. That a Refund Factor in the amount of \$.0341 per thousand cubic feet of gas be used as a reduction in the Purchased Gas Adjustment.

3. That said refund remain in effect until such time as the full amount has been returned to their customers.

IT IS THEREFORE ORDERED that Western Kentucky Gas Company, apply a Refund Factor in the amount of \$.0341 per thousand cubic feet of gas as a reduction in the approved Purchased Gas Adjustment beginning February 1, 1981, and remain in effect until such time as necessary so that the refund will, nearly as possible, reflect the exact amount.

This Refund Factor will terminate at such period of time that the refundable amount equals the refund herein reported.

IT IS FURTHER ORDERED that the information furnished the Commission by Applicant in this Case No. 7157 and any other information ordinarily required to be filed under the Commission's Rules is hereby waived.

Done at Frankfort, Kentucky, this 4th day of February, 1981.

ENERGY REGULATORY COMMISSION


By the Commission

ATTEST:

Secretary